



BroadBand Office

2900 Telestar Court
Falls Church, VA 22042

ORIGINAL

EX PARTE OR LATE FILED

RECEIVED

JUL 7 2000

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

July 6, 2000

Magalie Roman Salas, Secretary
Federal Communications Commission
445 12th Street, SW, TW-A325
Washington, DC 20554

Ex Parte

WT Docket 99-217

Competitive Access to Multi-Tenant Buildings

Dear Ms. Salas:

On Wednesday, July 5, 2000, the attached materials were sent to Chairman Kennard and Clint Odom, Commissioner Tristani and Adam Krinsky, and the following people in the Wireless Bureau; Tom Sugrue, David Furth, Diane Cornell, Jim Schlichting, Jeff Steinberg, Lauren Van Wazer and Peter Van Lewen.

Pursuant to Section 1.1206(b), an original and two copies of this letter are being filed with your office. Please include this letter with the file in the above-referenced proceeding.

Should you have any questions regarding this matter, please contact the undersigned.

Sincerely,

BROADBAND OFFICE COMMUNICATIONS

Kathleen Q. Abernathy
Vice President, Public Policy

Enclosures

cc: Clint Odom – w/o enclosures
Adam Krinsky – w/o enclosures
Tom Sugrue – w/o enclosures
David Furth – w/o enclosures
Diane Cornell – w/o enclosures
Jim Schlichting – w/o enclosures
Jeff Steinberg – w/o enclosures
Lauren Van Wazer – w/o enclosures
Peter Van Lewen – w/o enclosures

No. of Copies rec'd 0+2
List A B C D E

Wired deals creating new buzz in Houston office market.(Brief Article)

Nancy Sarnoff

06/09/2000

Houston Business Journal

Page 13A

Copyright 2000 Information Access Company. All rights reserved. COPYRIGHT 2000 American City Business Journals, Inc.

A slew of communications and fiber optic providers are signing deals with real estate property owners throughout the city, resulting in the creation of a new level of service in Houston's office market.

The business of wiring office buildings for services such as high-speed Internet access and broadband applications is flourishing in Houston as well as throughout the entire country. Access to cutting-edge technologies gives real estate owners and managers a leg up in today's competitive office leasing market. And several companies are starting to take action.

Crescent Real Estate has signed an agreement with Metromedia Fiber Network to provide direct fiber optic connectivity to Crescent's properties in Houston. The deal covers 16 Houston office buildings, including Post Oak Plaza, Greenway Plaza and Houston Center.

In this type of arrangement, the fiber provider pays the building owner for access to its buildings.

"That's the marketplace right now," says Crescent's Howard Lovett. "Telecom providers are paying fees for access to the properties. They get the benefit because they can then sell services to the customers in the building."

Tenants in Crescent-owned buildings will be able to access virtually unlimited bandwidth over a network that will deliver advanced Internet, data, video, broadband and voice applications to their workplace.

"I think that over time, there will be buildings that are differentiated by having Class A business services that meet the technological needs of the tenants, and those tenants will choose those buildings," Lovett says.

In today's global e-business climate, technological capability in real estate is being given the same high priority status that location traditionally has had.

"Crescent realizes this fundamental paradigm shift and is changing the old real estate maxim of 'location, location, location' to 'location, bandwidth, location,'" says Nick Tanzi, president of Metromedia.

New York-based **OnSite Access** has signed an agreement with The Praedium Group to install a network infrastructure and an advanced communications package to business tenants in eight Houston-area office buildings. The firm just completed wiring 1.3 million square feet in downtown's First City Tower at 1001 Fannin.

Founded in 1997, OnSite services include high-speed Internet access, local and long distance services and data networking through its broadband communications networks and "building-centric infrastructure."

And local real estate entrepreneur Andrew Segal of Boxer Property has hired Cypress Communications to provide bundled broadband communications services to his firm's office buildings.

Established in 1995 and based in Atlanta, Cypress has "wired" more than 200 buildings nationwide and is in the process of installing broadband communications networks in at least 550 more.

Smaller ISPs rush to wire office buildings : Partner with owners to offer cheaper Internet services

joanne cleaver

06/26/2000

Crain's New York Business

Page 29

Copyright (C) 2000 Crain Communications, Inc. All rights reserved.

Don't tell Gary Angiuli about the benefits of broadband Internet connections. As managing partner of Staten Island-based law firm Angiuli Poznansky Katkin & Gentile, Mr. Angiuli has put up with excruciatingly slow download times, aggravated by the 60-page-plus real estate contracts that his firm swaps daily with other law firms.

The agony of stuffing legal documents through telephone lines the diameter of spaghetti is now a fading memory for Mr. Angiuli. He's not sure how much money he's saving with his new building-based Internet service, which costs him a mere \$300 per month, but his partners' complaints about transmission time have turned into compliments.

Mr. Angiuli's office building was one of the first in New York to benefit from Internet service delivered through the upgraded infrastructure of the building itself, serviced by the building's management and a single Internet service provider.

Medium-sized and small tenants are desperate for ways to get the fastest possible Internet service, yet most can't afford to pay for their own state-of-the-art lines. Now, a new breed of ISP is moving in to fill the gap by partnering with building owners and managers.

Bypassing phone companies

"This allows smaller companies to get broadband, with no more worries about ordering it up from the phone companies," explains Joseph Ambrosio, president of NetConnect Inc., a Staten Island-based computer consulting firm. After superfast lines are connected into a participating building's basement by a regional phone company, the Internet provider takes over, extending the line to tenants' offices.

OnSite Access Inc. (www.onsiteaccess.com), based in Manhattan, and Everest Broadband Network Inc. (www.everestbroadband.com), based in Fort Lee, N.J., are two players moving into Manhattan. Others include **IntelliSpace** Inc. (www.intellispace.com) and Eureka Broadband Corp. (www.eurekabroadband.com).

Fast connections are becoming increasingly important, and not just for sending files and e-mails, points out Mr. Ambrosio. Some small companies are starting to move critical business functions, such as purchasing and accounting, to Web-based service companies.

Subscribers to these "application service providers" require constant, high-speed access to on-line information that used to reside on their companies' own local-area networks. But

a company can't take advantage of the flexibility and low cost of ASPs if its Internet connection is stuck in the Stone Age.

Because small and medium-sized tenants lack the in-house expertise to troubleshoot complex Internet and computer problems, the newfangled building ISPs have their work cut out for them, says Elmo Doig, chief executive of Show Digital Inc., a Manhattan firm that provides high-speed Internet access to trade show exhibitors and hotels.

"It's not just a case of hooking it up and walking away, like it is with heat or air conditioning," he says. The new ISPs "have to win the support of building tenants over and over again."

Security concerns

Many companies worry that their computer systems might be vulnerable to security breaches by other tenants. They also want assurances that the new Internet service will link seamlessly to Web addresses and e-mail software.

Some tenants are also a little reluctant to hand over their critical computer systems to a building management that sometimes seems to have its hands full just keeping the sidewalks clean in winter.

The ISPs argue that the benefits are worth the perceived risks. Jeffrey Feldman, chief executive of Everest, says that the company plans to add backup, recovery, virus-scanning, Web conferencing, Web hosting and other handy services.

"What's important is that it's all brought to you through the same (Internet connection) pipe," he says.

The new service will become an expected amenity in office buildings and could change the nature of the manager-tenant relationship, predicts Bert Whyte, chief executive of Network Equipment Technologies Inc., a Fremont, Calif., firm that will be introducing hardware in June expressly designed for building ISPs.

"The benefits of the building won't just be in the infrastructure, but in how that network is managed and controlled and who gets access to it," he says. "It will be a whole change in culture."